

OTC Derivatives

Duration: One Day

Summary

This course prepares middle and back office teams for handling the challenges presented by over-the-counter derivatives. Options, interest rate swaps, credit default swaps and total return swaps are covered.

Objectives:

At the end of this course participants will be able to

- Discuss in detail how over-the-counter derivatives markets operate
- Describe fully how different instruments can be used to execute a number of investment objectives and strategies
- Describe the trading, settlement, pricing and accounting for selected derivatives
- Outline pricing sources and valuation concerns for OTC derivatives
- Discuss the risks that accompany the use of derivatives and how those risks can be managed
- Outline the key financial reporting requirements and issues in relation to derivatives

Content

- Derivatives Markets
 - Who is involved
 - Clearing & Settlement
 - Counterparty Credit Risk
 - Collateral
- Over-the-counter derivatives
 - Vanilla options
 - Exotic options
 - Interest rate swaps
 - Credit default swaps
 - Total return swaps
- Trading
- Strategy Overview
- Risk Management – Exposures
- Pricing
 - Framework
 - Sources
 - Challenges
- Financial Reporting
 - Fair value measurement
 - Fair value disclosures
 - OTC instruments in financial statements
- Market and regulatory developments

Who should attend?

- Experienced hedge fund and mutual fund professionals who have some understanding of securities/cash markets but who require a greater understanding of OTC derivatives.
- Other financial services professionals who require a greater understanding of OTC derivatives.